

the merchandise; and (3) the cash deposit rate for all other manufacturers or exporters will be the rate established in the investigation of sales at less than fair value, which is 14.51 percent. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and subsequent assessment of double antidumping duties.

Notification to Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 353.22(f).

Dated: July 2, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-18307 Filed 7-9-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

[A-580-807]

Polyethylene Terephthalate Film, Sheet, and Strip From the Republic of Korea; Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On March 6, 1998, the Department of Commerce (the Department) published the preliminary results of administrative review of the antidumping duty order on

polyethylene terephthalate film sheet, and strip (PET film) from the Republic of Korea. The review covers one manufacturer/exporter of the subject merchandise to the United States and the period June 1, 1996 through May 31, 1997.

As a result of comments we received, the dumping margin has changed from that presented in our preliminary results.

EFFECTIVE DATE: July 10, 1998.

FOR FURTHER INFORMATION CONTACT: Michael J. Heaney, or Linda Ludwig, AD/CVD Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-4475, or 3833, respectively.

SUPPLEMENTAL INFORMATION:

Background

On March 6, 1998, (63 FR 11214), the Department published the preliminary results of administrative review and rescission in part of the antidumping duty order on PET film from the Republic of Korea, 56 FR 25669, (June 5, 1991).

This review covers one manufacturer/exporter of the subject merchandise to the United States: SKC Co., Ltd, (SKC), and the period June 1, 1996 through May 31, 1997.

The Department has concluded this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

Scope of the Review

Imports covered by this review are shipments of all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet, and strip, whether extruded or coextruded. The films excluded from this review are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches (0.254 micrometers) thick. Roller transport cleaning film which has at least one of its surfaces modified by the application of 0.5 micrometers of SBR latex has also been ruled as not within the scope of the order.

PET film is currently classifiable under Harmonized Tariff Schedule (HTS) subheading 3920.62.00.00. The HTS subheading is provided for convenience and for U.S. Customs purposes. The written description remains dispositive as to the scope of the product coverage.

The review covers the period June 1, 1996 through May 31, 1997.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all references to the Department's regulations are to 19 CFR part 353 (1997).

Analysis of Comments Received

We invited interested parties to comment on the preliminary results of this administrative review. On April 6, 1998, we received timely comments from the respondent, SKC and the petitioners (E.I. DuPont de Nemours & Company, Hoechst Celanese Corporation, and ICI America's Inc.) (Petitioners). SKC and the Petitioners submitted their reply briefs on April 13, 1998 and April 14, 1998 respectively.

Comment 1: SKC contends that the payment dates for some of the U.S. sales reported in its December 8, 1997 letter were incorrectly transcribed, thereby overstating its U.S. credit expense. SKC contends that the Department should accept the corrected payment dates set forth in its March 16, 1998 letter. SKC further contends that the correct payment dates are discernible from the record, and that the error in question is clearly clerical in nature.

SKC argues that the Department's established practice is to accept corrections following the preliminary results when (1) the error in question is demonstrated to be a clerical error; (2) the corrective documentation provided in support of the clerical error allegation is reliable; (3) the respondent availed itself of the earliest reasonable opportunity to correct the error; (4) the clerical error allegation, and any corrective documentation, is submitted to the Department no later than the due date for the respondent's administrative case brief; (5) the clerical error does not entail a substantial revision of the response; and (6) the respondent's corrective documentation does not contradict information previously determined to be accurate at verification. (See e.g., *Certain Fresh Cut Flowers from Colombia, Final Results of Antidumping Duty Administrative Reviews, (Colombian Flowers)* 61 FR 42833, 42834 (August 19, 1996).)

SKC asserts that the corrected information meets the criteria outlined in *Colombian Flowers* because the error contained in its December 8, 1997 response is demonstrably clerical, can reliably be discerned from the data on

record, and was brought immediately to the Department's attention upon receipt by SKC of its disclosure materials. Moreover, SKC argues that correction of this error would not entail a substantial revision of its response. Finally, SKC notes that the data provided in its March 16, 1998 submission does not contradict any previously verified information.

Department's Position: We agree with SKC. The Department will accept a respondent's clerical corrections so long as it fulfills the criteria first articulated in *Colombian Flowers*. (See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Outside Diameter, and Components Thereof, From Japan, Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 20585, 20610 (April 27, 1998) (citing *NTN Bearing Corp. v. United States*, 74 F.3d 1204 (Fed. Cir. 1995) and *Colombian Flowers*.) The formatting error resulted in the uniform transcription of "9" as "0" for certain U.S. sales. For example, payments made on March 5, 1997 were incorrectly read as "070305" rather than "970305". This error is clearly clerical in nature. Further, SKC provided reliable documentation supporting its correction of that clerical error. SKC corrected the clerical error five days after receipt of its disclosure materials, and provided the corrective documentation prior to submission of its case brief. Finally, correction of this clerical error does not constitute a substantial revision of SKC's response, and does not contradict previously verified information. Thus, consistent with the position established in *Colombian Flowers*, we have used SKC's corrected payment dates in these final results.

Comment 2: Consistent with previous administrative reviews of this case, SKC objects to the Department's equal allocation of scrap costs to A-grade and B-grade film. SKC contends that its allocation methodology is reasonable and consistent with widely accepted accounting concepts. In support of its argument, SKC cites to the March 5, 1996 case brief filed in the second and third administrative reviews of this case. (See Attachment 1 of SKC's April 6, 1998 case brief.)

SKC states that allocating the cost of scrap film equally to A-grade and B-grade films improperly overstates the cost of B-grade films while understating the cost of A-grade films. SKC contends that its methodology of initially allocating costs equally among A-grade film, B-grade film, and scrap, and then reallocating the cost of scrap to the cost

of A-grade film is consistent with accepted cost accounting methodologies.

SKC also asserts that its methodology is consistent with the Department's treatment of jointly produced products in numerous other antidumping proceedings, wherein the Department recognized that a pure quantitative, or physical measures approach to cost allocation is unreasonable where there is a significant difference in the value of the jointly produced products.

SKC cites *Elemental Sulphur from Canada*, 61 FR 8239, 8241-8243 (March 4, 1996) (*Sulphur from Canada*); *Oil Country Tubular Goods from Argentina*, 60 FR 33539, 33547 (June 28, 1995) (*OCTG from Argentina*); *Canned Pineapple Fruit from Thailand*, 60 FR 29553, 29560 (June 5, 1995) (*Pineapple from Thailand*) in support of its position.

SKC maintains that it is the Department's well-established practice to calculate costs in accordance with a respondent's normal cost accounting system unless the system results in an unreasonable allocation of costs, and cites *Pineapple from Thailand* as support for this assertion. SKC states that its reported cost of manufacturing (COM) data were calculated in accordance with its normal and long-established management cost accounting system. SKC notes that in the first review of this case (covering the period November 30, 1990 through May 31, 1992), the Department allocated all of the costs associated with the production of scrap film to A-grade film. SKC contends that this methodology was recently upheld by the Court of International Trade (CIT). (See *E.I. Dupont de Nemours & Co., et al. v. United States*, No. 98-35, Slip. Op. at 12-14 (CIT March 26, 1998 (*DuPont*)).) Based upon the foregoing, SKC concludes that the Department should allocate all scrap costs to A-grade film.

Petitioners argue that SKC has not provided justification for the Department deviating from its current practice which is to allocate costs equally between prime- and off-grade merchandise. Petitioners note that the allocation of scrap film has been a contentious issue from the LTFV investigation of this case. Petitioners further note that the Department's method of allocating yield losses equally between A-grade and B-grade film is consistent with the ruling of the U.S. Court of Appeal for the Federal Circuit in *IPSCO v. United States*, 965 2d, 1056 (Fed Cir., 1992) (*IPSCO*). Petitioners contend that the methodology employed by the Department in this review is consistent

with that employed in the second (June 1, 1992 through May 31, 1993) and third (June 1, 1993 through May 31, 1994) reviews of this case. Additionally, Petitioners assert that the decision by the CIT in *DuPont* does not require the Department to employ the allocation methodology used in the first review of this case. Petitioners contend that in accepting SKC's reported costs for the first review, the Department predicated its acceptance of SKC's allocation methodology on the understanding that SKC had applied "a cost methodology that assigns equal costs to the prime and off-grade PET film in accordance with the *Ipsco Appeal*." (original emphasis). (See *Polyethylene Terephthalate Film, Sheet and Strip From the Republic of Korea; Final Results of Antidumping Duty Administrative Review*, 60 FR 42835, 42839 (August 17, 1995).) Petitioners assert that this indicates that the Department believed that "SKC's reported cost allocation system was based on allocating equal costs" to A-grade and B-grade film. Petitioners contend that the allocation methodology set forth by SKC does not allocate scrap costs equally to A-grade and B-grade film, and thus should be rejected by the Department.

Additionally, Petitioners challenge SKC's characterization of its proposed allocation methodology as "normal and long-established." Petitioners cite to their April 14, 1997 reply brief filed in the fifth administrative review (June 1, 1995 through May 31, 1996) of this case in which Petitioners contend that SKC had historically assigned equal costs to all PET film and devised its current cost system only after the initiation of this dumping case.

Department's Position: We agree with Petitioners and disagree with SKC. As we explained in the final results of previous reviews of this order, we have determined that A-grade and B-grade PET film have identical production costs. Accordingly, we continue to rely on an equal cost methodology for both grades of PET film in these final results (See *Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Review and Notice of Revocation in Part 61 FR 35177, 33182-83* (July 5, 1996) (Second and Third Reviews); *Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Review and Notice of Revocation in Part 61 FR 58374, 58375-76*, (November 14, 1996) (Fourth Review); and *Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Review, 62 FR 38064, 38065-66*, (July 16, 1997) (Fifth Review).)

Moreover, as noted in the final results of the second through the fifth reviews, the CIT has also ruled that our allocation of SKC's production costs between A-grade and B-grade film is reasonable (see *E.I. DuPont de Nemours & Co., Inc. et al. v. United States*, 932 F. Supp. 296 (CIT 1996)).

As Petitioners have indicated, our acceptance of SKC's allocation of scrap costs in the first review of this case was based upon our understanding that SKC had properly allocated the costs of A-grade and B-grade film. In that review, we did not verify SKC's costs data. We determined that no verification of SKC was necessary because SKC was verified in the original investigation. Second and Third Reviews, 60 FR at 42839. Based upon the evidence existing in the record during that proceeding, we accepted SKC's computations because we were satisfied that it had calculated actual costs consistent with the IPSCO decision.

During the second and third administrative reviews, however, we carefully examined SKC's allocation methodology and conducted a thorough verification of SKC's accounting records. We determined that the allocation methodology employed by SKC fails to capture the actual production costs of A-grade and B-grade film. Based upon this determination, we have consistently required SKC to allocate yield losses equally between A-grade and B-grade film since the second review of this case. Further, we have determined that A-grade and B-grade film undergo an identical production process that involves an equal amount of material and fabrication expenses. The only difference in the resulting A- and B-grade film is that at the end of the manufacturing process a quality inspection is performed during which some of the film is classified as high quality A-grade product while other film is classified as lower quality B-grade film (see Fourth Review (covering the period June 1, 1994 through May 31, 1995), 61 FR at 58375).

Finally, SKC's argument that DuPont affirmed SKC's allocation methodology is without merit. DuPont does not require the Department to accept an allocation methodology that does not accurately capture the actual cost of A-grade and B-grade film. In DuPont, the CIT concluded that the Department's acceptance of SKC's calculations was supported by substantial evidence. The Court further concluded that the calculations properly reflected SKC's actual costs of production. The CIT, however, did not affirm SKC's allocation methodology. It merely accepted the allocations resulting from

the methodology because those allocations (based upon record evidence) reflected actual production costs as required by IPSCO.

In the four previous reviews of this case, the Department has determined that SKC's allocation methodology fails to capture the actual cost of A-grade and B-grade film. We continue to maintain that SKC's reliance on Sulphur from Canada, Pineapple from Thailand, and OCTG from Argentina is misplaced. Those cases concerned the appropriate cost methodology for products manufactured from a joint production process. SKC has mischaracterized the continuous production process of PET film as a joint production process. A joint production process occurs when "two or more products result simultaneously from the use of one raw material as production takes place." (See, *Management Accountants Handbook*, Keeler, et al., Fourth Edition at 11:1.) A joint production process produces two distinct products and the essential point of a joint production process is that "the raw material, labor, and overhead costs prior to the initial split-off can be allocated to the final product only in some arbitrary, although necessary, manner." Id. The identification of different grades of merchandise does not transform the manufacturing process into a joint production process which would require the allocation of costs. In this case, since production records clearly identify the amount of yield losses for each specific type of PET film, our allocation of yield losses to the films bearing those losses is reasonable, not arbitrary (Fourth Review, 61 FR at 58575-76).

It is the Department's practice to calculate costs in accordance with a respondent's management accounting system. Where that system reconciles to the respondent's normal financial and cost accounting records and results in a reasonable allocation of costs. Management accounting deals with providing information that managers inside an organization will use. Managerial accounting reports typically provide more detailed information about product costs, revenue and profits. They are used to identify problems, objectives or goals, and possible alternatives. In order to respond to the Department's questionnaires, SKC officials devised a management accounting methodology for allocating costs incurred in the film and chip production cost centers to individual products produced during the period of investigation. SKC adopted this cost accounting system to reflect a management goal (i.e., to respond to the

Department). Under this system, SKC assigns the yield loss from the production of A- and B-grade films exclusively to the A-grade films. This methodology helps management to focus on the film types with low yields. However, notwithstanding SKC management's concern that it accurately portray the cost of their A-grade products, this managerial accounting methodology is not appropriate for reporting the actual costs of A- and B-grade products. As previously noted, A-grade and B-grade films undergo an identical production process. B-grade film is made using the same materials, on the same equipment, at the same time as the A-grade film. As such, scrap costs must be allocated equally to A- and B-grade films. It is within the Department's mandate to accept or reject the allocation methodologies devised by respondents. In this instance, we have continued to rely on an equal cost allocation methodology which reflects the actual costs incurred for both A-grade and B-grade film.

Comment 3: SKC asserts that the Department double counted inventory carrying costs in its calculation of COP and CV. SKC contends that all COP interest expenses were included in the variable RCOP, and that all CV interest expenses were included in the variable INTEXCV.

Department's Position: We agree with SKC. In these final results, we have revised the computer program to eliminate the double-counting of inventory carrying costs in our calculation of COP and CV.

Comment 4: SKC asserts that the Department failed to include U.S. indirect selling expenses incurred in the home market for purposes of calculating CEP profit. SKC contends that the Department should adjust its calculation of CEP profit to account for all U.S. selling expenses, regardless of where they were incurred.

Department's Position: We agree with SKC. Consistent with our established practice, we have not distinguished "activities in the United States from other selling expenses" in our calculation of CEP profit. (See *Import Administration Policy Bulletin No. 97/1. Calculation of Profit for Constructed Export Price Transactions* (September 4, 1997).)

Comment 5: SKC contends that the Department should offset interest revenue against imputed credit in building up the pool of U.S. selling expenses used to allocate profit to CEP sales. SKC notes that the Department made this offset in the final results of the fifth review. (See *Final Analysis*

Memorandum for SKC from Analyst to the file, June 30, 1997.)

Department's Position: We agree with SKC. In these final results, we have offset SKC's interest expense with the interest revenue realized by SKC.

Comment 6: Petitioners contend that the Department should revise SKC's imputed credit expenses on sales to Anacomp. Petitioners assert that SKC's calculation of credit expense is inconsistent with the ruling of the Federal Circuit in *LMI-LaMetalli Industriale, S.p.A. v. United States* (*LMI*) 912 F.2d 455 (Fed. Cir. 1990) because SKC has not based its calculation of U.S. credit expense upon "usual and reasonable commercial behavior." (*LMI* at 461.)

Petitioners contend that the Department's calculation of SKC's U.S. imputed credit expense should consider Anacomp's "poor financial condition and the unusual trade credit term that SKC provided to Anacomp." Petitioners note that Anacomp declared bankruptcy just prior to the period of review, and emerged from bankruptcy in June 1996. Petitioners point to Anacomp's debt-to-equity ratio as another indication of the company's poor financial condition. Petitioners also note that the interest rate incurred by SKC on borrowings in the U.S. is below the U.S. prime rate. Petitioners assert that Anacomp's financial condition "is shaky at best," and that credit expenses on sales to Anacomp should reflect Anacomp's poor financial condition. Petitioners further contend that the Department should use a rate higher than the rate used to calculate SKC's interest revenue on sales to Anacomp. Petitioners note that in *DuPont*, the CIT granted the Department's request for a remand to consider Anacomp's financial condition in determining the short-term interest rate to be utilized on SKC's U.S. sales. *DuPont* at 24.

SKC contends that the purpose of making an adjustment for U.S. credit expenses is to account for the opportunity cost that the seller incurs in waiting for payment from the buyer. SKC argues that the Department requested a remand in *DuPont* only because the issue had not been addressed on the record of that review. SKC further contends that the cost of extending credit can only be measured by the cost that the seller incurs in borrowing funds. SKC argues that bad debt expense (and not credit) represents the costs associated with not receiving payment. SKC further argues that Departmental practice is to base bad debt expense upon the actual expenses realized by the company. SKC notes that is has included its actual U.S. bad debt

expenses in its calculation of U.S. indirect selling expenses. Finally, SKC contends that Petitioners' reliance on *LMI* is misplaced. SKC notes that in *LMI*, the Court instructed the Department to base U.S. interest expense upon the costs associated with borrowing funds in the United States. SKC notes that is based its calculation of U.S. credit expense upon the costs that it incurred in borrowing funds in the United States.

Department's Position: We agree with SKC and disagree with Petitioners. The Department has adopted a policy of using a short-term interest rate tied to the currency in which the sales are denominated. (See *Import Administration Policy Bulletin No. 98.2, Imputed Credit Expenses and Interest Rates* (February 23, 1998).) Subsequent to the *LMI* decision we established a practice of matching the short-term interest rate to the currency because we view this measure as accurately reflecting the cost of providing credit to the customer. (See, e.g.; *AIMCOR v. United States*, Nos. 96-1502, 97-1009, 1998 U.S. App. Lexis 7077, at * 40 (Fed. Cir. April 9, 1998) (*AIMCOR*); *Final Determination of Sales at Less Than Fair Value: Oil Country Tubular Goods From Austria*, 60 FR 33551, 33555 (June 28, 1995); *Certain Cut-to-Length Carbon Steel Plate From Sweden; Final Results of Antidumping Administrative Review*, 61 FR 15772, 15780 (April 9, 1996).) Moreover, in the second and third administrative reviews where the respondent had borrowings in the same currency as the transaction we used the weighted-average borrowing rates realized in that particular currency. (See *Second and Third Reviews* at 35184.) In these final results we have continued to base our calculations of SKC's credit expense upon the interest rate incurred on SKC's borrowings in the United States. This approach is consistent with the Court of Appeals' decision in *LMI*. In that case the Federal Circuit reversed the Department's calculation of U.S. imputed credit expenses which used home market borrowing rates because the respondent had actual U.S. loans at a much lower rate. (*LMI* at 460-61.) Inasmuch as the respondent's actual borrowing experience demonstrated its ability to secure financing in the United States at a lower rate, the Federal Circuit reasoned that use of the higher interest rates did not reflect the commercial reality of the respondent's borrowing experience in the United States.

Petitioner's arguments make clear that they have confused credit and bad-debt expenses. Bad debt represents the risk that the seller incurs of not receiving payment, and was separately reported

by SKC in its calculation of indirect selling expenses. In contrast, credit expenses represents the opportunity cost incurred by the seller in awaiting payment. The extension of credit constitutes an expense to the firm, because it obligates funds which would otherwise be available for other business activities. Anacomp's financial status and condition has no bearing on SKC's imputed credit expenses computations because imputed credit expense reflects the opportunity cost experienced by the seller (See *AIMCOR*, at *7-8). Anacomp's poor financial condition is irrelevant in this instance because it has no bearing upon the opportunity costs incurred by SKC due to delayed payment. Similarly, neither Anacomp's declared bankruptcy nor its interest rate in the commercial market place are reflective of the opportunity costs incurred by SKC in extending credit. Finally, we note that if we were to adopt the approach advanced by Petitioners, the distinction between credit expenses and bad debt would cease to exist.

SKC misapprehends the *LMI* decision. In *LMI*, the Federal Circuit reversed the Department for basing U.S. imputed credit costs upon the cost of borrowing funds in the home market, as opposed to the market in which the sales were made. SKC's calculation of U.S. credit, however, is based upon borrowings undertaken by SKC in the United States. SKC's calculation is therefore consistent with *LMI* and the Department's established practice.

Final Results of Review

As a result of our review, we determine that a weighted-average margin of 0.36 percent exists for SKC.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between export price and normal value may vary from the percentage stated above. The Department will issue appraisal instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results for all shipments of PET film from the Republic of Korea within the scope of the order entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Tariff Act: (1) no cash deposit shall be required for SKC because the weighted average margin is less than 0.5 percent and therefore *de minimis*; (2) for previously reviewed or investigated companies not listed above, the rate will continue to be the company-specific rate published for the

most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate will be 21.50 percent, the "all others" rate established in the remand redetermination of the LTFV investigation, as explained below. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and subsequent assessment of double antidumping duties.

Notification of Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: July 2, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-18446 Filed 7-9-98; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-826]

Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Brazil; Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of changed circumstances antidumping duty administrative review, and revocation in part of antidumping duty order.

EFFECTIVE DATE: July 10, 1998.

FOR FURTHER INFORMATION CONTACT: Helen M. Kramer or Linda Ludwig, AD/CVD Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-0405 or (202) 482-3833, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 27, 1998, the Gulf States Tube Division of Vision Metals ("Gulf States")¹, a petitioner in this case, requested that the Department of Commerce (the Department) conduct a changed circumstances antidumping duty administrative review to determine whether to revoke in part the antidumping duty order on small diameter circular seamless carbon and alloy steel standard, line and pressure pipe from Brazil with respect to certain glass-lined seamless pressure pipe. Gulf States and Koppel Steel Corporation, the petitioners in this case, expressed no further interest in the relief provided by the antidumping duty order with respect to certain glass-lined seamless pressure pipe imported from Brazil. Accordingly, on May 22, 1998, the Department published a notice of initiation and preliminary results of changed circumstances antidumping duty administrative review and intent to revoke this order in part (63 FR 28357). We gave interested parties an opportunity to comment on the preliminary results of this changed circumstances review. No comments were received.

¹ Gulf States was previously a division of Quanex Corporation.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, found in 62 FR 27296 (May 19, 1997).

Scope of the Review

Imports covered by this review and partial revocation are shipments of seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness or manufacturing process (hot-finished or cold-drawn) that (1) has been cut into lengths of six to 120 inches, (2) has had the inside bore ground to a smooth surface, (3) has had multiple layers of specially formulated corrosion resistant glass permanently baked on at temperatures of 1,440 to 1,700 degrees Fahrenheit in thicknesses from 0.032 to 0.085 inch (40 to 80 mils), and (4) has flanges or other forged stub ends welded on both ends of the pipe. The special corrosion resistant glass referred to in this definition may be glass containing by weight (1) 70 to 80 percent of an oxide of silicone, zirconium, titanium or cerium (Oxide Group RO₂), (2) 10 to 15 percent of an oxide of sodium, potassium, or lithium (Oxide Group RO), (3) from a trace amount to 5 percent of an oxide of either aluminum, cobalt, iron, vanadium, or boron (Oxide Group R₂O₃, or (4) from a trace amount to 5 percent of a fluorine compound in which fluorine replaces the oxygen in any one of the previously listed oxide groups. These glass-lined pressure pipes are commonly manufactured for use in glass-lined equipment systems for processing corrosive or reactive chemicals, including acrylates, alkanolamines, herbicides, pesticides, pharmaceuticals and solvents.

The glass-lined pressure pipes subject to this review are currently classifiable under subheadings 7304.39.0020, 7304.39.0024 and 7304.39.0028 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and U.S. Customs' purposes only. The written description of the scope of this review remains dispositive.